

rate center. (MCI Worldcom Comm., p. 25.)⁸ We fail to see the value in this suggestion, since it would exempt a large number of carriers from meeting the utilization threshold, thus defeating its purpose. California does, however, believe carriers should be required to meet the utilization threshold on a rate-center basis, and not on an NPA-wide basis.⁹ (AT&T Comm., p. 16.)

B. Carrier Submission of Data

The CPUC disagrees with commenting parties who object to the FCC's proposal for quarterly reporting of utilization data. MCI complains that monitoring line utilization on a quarterly basis "will only lead to over-burdening the code holder with data collection with little added benefit as compared to a six-month reporting interval of data". (MCI Worldcom Comm., p. 43; see also SBC Comm., p. 52, AT&T Comm., p. 21.) MCI goes on to claim that this proposed requirement is "inconsistent with the Paperwork Reduction Act". USTA expresses support for the NANC report's recommendation for semi-annually reporting, and proposes that carriers with little growth and rural carriers should not even be required to report semi-annually. (USTA Comm., p. 5.)

California appreciates the carriers' concerns about being forced to track their number usage on a routine basis and having to submit data quarterly. At the same time, the CPUC notes that we have new carriers entering the marketplace in California

⁸ MCI's proposal also appears at odds with its claim that initial codes used to create a "footprint" are the largest factor in premature exhaust. (MCI Comm., p. 27.) If carriers are not required to fully use their initial codes, that would seem to only further contribute to premature exhaust.

⁹ Similarly, we concur with those parties who propose that "fill rates" should be applied on a rate center basis. (NYDPS Comm., p. 8.)

quarterly. The NANPA receives carriers NXX code requests weekly if not daily. The status of code allocation changes almost minute-by-minute in California. Based on pleadings received from other state commissions, we believe the same is true in many other states. Further, the effect of not tracking utilization quarterly is that relief planning decisions will continue to be made in the dark, that is, without accurate, fairly current utilization information.

As for MCI's claim that the Paperwork Reduction Act is implicated because the FCC's proposed quarterly reporting requirement would be overly burdensome, we would note, again, the heavy burden on the public of undergoing repeated area code relief at an accelerating pace. CPUC staff and Commissioners have attended several meetings over this summer pertaining to implementation of relief plans for the 310 and 818 NPAs. Based on the public input received in those meetings, we do not believe the public is particularly sympathetic to industry complaints about having to report on utilization more rather than less frequently. The more accurate the data made available to the FCC, state commissions, and the industry, the better the decisionmaking process for relief planning will be.

VI. THOUSAND-BLOCK NUMBER POOLING

A. Roll-Out of Pooling Should Not Be Limited to the Top 100 MSAs

Several commenting parties suggest that 1,000-block number pooling should be implemented only in the top 100 MSAs. (See US West Comm., p. 21; SBC Comm., p. 67.) We oppose this approach, as noted in our July 30th Comments. Restricting

deployment of pooling in this way would be premised on the notion that number demand should be addressed only in heavily populated areas. This would deprive other areas, and states which are not home to a top 100 MSA, of the benefits of number pooling. In addition, since MSAs do not match NPA boundaries, a state could face the task of trying to implement pooling in an NPA with a portion of its territory in a top 100 MSA, and another portion not in the MSA. Limiting deployment of pooling to the top 100 MSAs would mean that the state could not implement pooling in that particular area code.

To limit deployment of 1,000-block pooling assumes that it is reasonable to waste numbering resources in some places, but not in others. Public numbering resources should not be wasted anywhere it is feasible, as it is outside of the top 100 MSAs, to employ conservation and efficiency measures.

Further, we are puzzled by industry opposition to state use of existing version 1.4 software to implement number pooling trials. As we understand it, the industry generally prefers that states wait until the version 3.0 software, still in the developmental stage, is available for nationwide deployment. We fail to understand the point of this position. States today are free to establish voluntary number pooling trials, and if California, for example, were to do so, it would have to employ the currently-available version 1.4 software. Were we to do so, we would expect to make our number pooling process compatible with the protocols adopted by the FCC in this rulemaking. We assume the same already is true for those states with pooling trials underway, i.e., they will have to conform their trials to national protocols the FCC adopts.

Thus, no loss to a nationally “uniform” number pooling system will result if states are allowed the discretion to establish mandatory number pooling prior to roll-out of version 3.0 software, assuming the Commission adopts that software as the standard for 1,000-block pooling. It is entirely reasonable for the FCC to require that any state with a number pooling trial in progress using version 1.4 software upgrade to the software standard the FCC adopts. The use of version 1.4 versus version 3.0 software should not be the basis for FCC denial of state requests to implement mandatory number pooling, as use of version 1.4 software for state trials will not create an obstacle to implementing number pooling nationally.

B. Cost Recovery

In the NPRM, the FCC tentatively concluded that “incumbent LECs subject to rate-of-return or price-cap regulation should recover their carrier-specific costs directly related to thousands-block pooling implementation through the existing cost recovery mechanisms of rate-of-return or price-cap adjustments”. (NPRM, ¶ 204.) The CPUC concurs with MCI that “[t]here is nothing remotely competitively neutral about that outcome”. (MCI Comms., p. 55.) Allowing the ILECs to recover their carrier-specific costs via rate-of-return or price-cap mechanisms would guarantee recovery of those costs for ILECs, while no other industry segment would have such a guarantee. As MCI points out, such a result would harm competition.

Further, the NPRM did not limit the FCC’s tentative conclusion to the ILECs’ interstate carrier-specific costs. The CPUC suspects that most carrier-specific costs

incurred in establishing number pooling will be intrastate, and we presume that the FCC is not proposing to mandate how those intrastate costs should be recovered. We ask that the Commission clarify its tentative conclusion about recovery of the ILECs' carrier-specific costs.

VII. BINDING RULES SHOULD REPLACE INDUSTRY GUIDELINES

Some parties urge the Commission not to adopt binding rules for numbering administration, asserting that industry guidelines have been effective.

The Commission should be moving away from burdensome rules and here has a shining example of where the industry-wide process is yielding a superior result. (USTA Comm., p. 3.)

California wonders how the mushrooming demand for NXX codes, and the commensurate need to continually implement new area codes can be described as a “shining example” of success. Further, the unceasing industry push for more codes, coupled with its failure to be publicly accountable for use of those codes, is hardly evidence that the current reliance on industry guidelines has produced a “superior result”. California fails to see what is “superior” about a process dominated by an industry that is unwilling to compromise or to voluntarily adopt meaningful conservation measures. The current number allocation process is a textbook example of the industry taking full advantage of the fact that public numbering resources are not subject to effective public control.

Binding rules are needed, and they are needed sooner rather than later. Many in the industry share USTA's view that expanding the NANP is just another bump along the highway to a fully competitive telecommunications marketplace.

[I]t would be a mistake for the Commission to make optimization decisions based on the estimated costs for NANP expansion as set forth in the Notice. Those estimated costs are unjustified, unsubstantiated, and portray an inaccurate message that expansion is too expensive. The Commission and the industry have to accept that the NANP will eventually exhaust. (USTA Comm., pp. 3-4.)

This is tantamount to saying that since we can assume there will be another earthquake in California, or another tornado in Arkansas, or another flood in Missouri, we should just sit back and accept that fact. No efforts to prepare with an eye towards reducing damage are necessary because the federal taxpayers will just pick up the tab for the losses. Indeed, USTA's attitude suggests exactly that – the industry has no obligation to slow down the rate at which NXX codes are being used because they are not paying directly for the effects of the number drain. That burden has fallen to the public. Further, if the NANP exhausts sooner rather than later, it is the public that will pay the costs of expanding the NANP, so the industry need not be concerned about the price tag. We reject this view. The CPUC believes that the industry does have an obligation to make every effort, in concert with regulators, to extend the life of the NANP as long as possible. TOPUC/NASUCA highlight the folly of delay:

If something is not done quickly, NANP exhaust may become inevitable and irreversible, a result that would be nothing short of a national economic disaster the responsibility for which will rest squarely and entirely upon

industry intransigence and bureaucratic indifference. (TOPUC/NASUCA Comm., p. 7.)

Yet, the rate at which the NANP is exhausting has increased in recent months, as noted in the recent report the NANPA presented at the NANC's August 1999 meeting. The report shows that a new electronic fax messaging service is being deployed nationwide, and its providers are drawing large quantities of numbers in many states. (A summary of the NANPA's presentation is appended to these comments as Attachment II.) The effect of this one new service offering has required the NANPA to revise its exhaust estimate for the NANP.

Solving the numbering crisis will require application of every conservation and efficiency measure that the FCC has proposed, and some the Commission has declined, at present, to consider. We can collectively throw caution to the wind and expect the public to just tolerate the expense and inconvenience of expanding the NANP, or we can be responsible and try to forestall that eventuality and thus, have more time to plan for it and to implement it.¹⁰ That, in turn, will save money for the public rather than costing it more. The CPUC opts for the responsible approach, and urges the Commission to pursue that course.

VIII. TECHNOLOGY-SPECIFIC OR SERVICE-SPECIFIC OVERLAYS

US West is one of many carriers who oppose creation of area codes dedicated to a particular service or technology. Aside from the fact that such opposition is plainly self-

¹⁰ See the discussion of what would be entailed in expanding the NANP, including the tremendous resources that would have to be brought to bear to complete the task. (TOPUC/NASUCA Comm., pp. 18-23.)

serving for wireless providers, the arguments in opposition boil down to one simple fact: wireless carriers are willing to contribute to the numbering crisis but have little, if any, interest in contributing to the solution.

The CPUC concedes that superimposing an area code overlay dedicated to wireless services over each existing area code would not only fail to conserve numbers, it would actually contribute to a more rapid NANP exhaust. But, in our July 30th Comments, California proposed an expanded overlay which would cover as many as five or six existing NPAs. Wireless customers in at least some of those existing NPAs would be required to change their seven-digit numbers as they transfer into the new expanded overlay. But moving wireless customers into an expanded overlay would make available NXX codes in each of the existing NPAs.

US West also argues that “a ‘wireless only’ overlay would not be sustainable in the long run if wireless carriers deploy LNP in the future”.¹¹ (US West Comm., p. 8, Fn. 9.) It is correct that the FCC granted wireless carriers until the end of 2002 to complete deployment of LNP. Nonetheless, as a group, wireless carriers will not be able to participate in pooling until they have implemented LNP. Thus, for the next three years, wireless carriers will continue to draw blocks of 10,000 numbers while other carriers will be able to participate in 1,000-block pooling. Because wireless carriers will not be LNP-capable, during that same three-year period, customers in fact will not be able to port into

¹¹ California notes the hesitancy in US West’s comment, i.e., “if wireless carriers deploy LNP”. The CPUC is under the impression that wireless carriers have been ordered to implement LNP, albeit on an extended schedule, at their request. We are unaware of any option wireless carriers can exercise to avoid deploying LNP altogether.

or out of an area code dedicated to wireless carriers. Therefore, for the next three years at least, the effect of customers porting in or out of wireless-dedicated NPAs is moot.

In the meantime, during the next three years, the CPUC estimates that it will need to implement fifteen or sixteen new area codes, bringing our total statewide to 41. This is a proposition that is becoming increasingly unacceptable to the California public. And, it is a proposition that is avoidable if the FCC recognizes the seriousness of the situation, and rescinds its ban on technology-specific or service-specific area codes.

IX. CONCLUSION

For the reasons set forth in these Reply Comments, the CPUC urges the FCC to adopt generally the recommendations of the states contained in the outline attached to our July 30th Comments as amended by those Comments and by these Reply Comments. It is time for the FCC to act decisively to staunch the flow of public numbering resources.

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We urge the Commission to move quickly and to establish rules which serve the public interest first, instead of continuing to regard the service of carriers' business needs as the primary purpose of numbering resource policy.

Respectfully submitted,

PETER ARTH, JR.
LIONEL B. WILSON
HELEN M. MICKIEWICZ

By: /s/ HELEN M. MICKIEWICZ

Helen M. Mickiewicz

505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-1319
Fax: (415) 703-4592

Attorneys for the
Public Utilities Commission
State Of California

September 9, 1999

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document entitled
**“REPLY COMMENTS OF THE CALIFORNIA PUBLIC UTILITIES
COMMISSION AND OF THE PEOPLE OF THE STATE OF CALIFORNIA”** upon
all known parties of record by mailing, by first-class mail, a copy thereof properly
addressed to each party.

Dated at San Francisco, California, this 9th day of September, 1999.

/s/ HELEN M. MICKIEWICZ

HELEN M. MICKIEWICZ

ATTACHMENT 1

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion into Competition for
Local Exchange Service.

Rulemaking 95-04-043
(Filed April 26, 1995)

Order Instituting Investigation on the
Commission's Own Motion into Competition for
Local Exchange Service.

Investigation 95-04-044
(Filed April 25, 1995)

**ADMINISTRATIVE LAW JUDGE'S RULING SOLICITING
COMMENTS ON RATE CENTER CONSOLIDATION ISSUES**

In Decision 98-08-037, the Commission identified rate center consolidation as one of the potential means by which NXX codes could be utilized in a more efficient manner. Since a separate NXX code is presently required for each rate center in which service is offered, the consolidation of rate centers would reduce the number of NXX codes required to serve a given area.

This ruling is issued to solicit comments from parties regarding the revenue and customer impacts issues associated with the consolidation of rate centers within the service territories of Pacific Bell and GTE California, Inc., as summarized on Enclosure A of this ruling. The enclosure is taken from the letter, dated July 2, 1999, that was sent to Mr. Jack Leutza, Director of the Telecommunications Division of the Commission, from the co-chairs of the California Numbering Task Force. The letter outlined the continuing efforts of the Task Force to explore consolidation of rate centers as a viable option for promoting the conservation of numbering resources.

The Task Force reports that while several technical issues require further inquiry, rate center consolidation appears technically feasible. The Task Force observes, however, that resolving the associated regulatory issues is far more problematic since those issues directly impact both the consumer and telecommunications provider. Resolution of these issues is required to determine consolidation level and location.

Thus to move forward in resolving these issues, comments are solicited from parties regarding the consumer and revenue impact issues implicated in rate center consolidation as described in Enclosure A.

Parties should indicate whether they propose further proceedings (e.g. workshops, evidentiary hearings, etc.) to resolve the outstanding issues.

IT IS RULED that:

1. Comments are solicited from parties regarding the consumer and revenue impact issues related to rate center consolidation as described in Enclosure A, hereto.
2. Opening comments shall be due on September 27, 1999 and reply comments on October 12, 1999.

Dated August 13, 1999, at San Francisco, California.

Thomas R. Pulsifer
Administrative Law Judge

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge's Ruling Soliciting Comments on Rate Center Consolidation Issues on all parties of record in this proceeding or their attorneys on record.

Dated August 13, 1999, at San Francisco, California.

Antonina V. Swansen

N O T I C E

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

ATTACHMENT 2



Large Central Office (CO) Code Requests

Prepared by:

Lockheed Martin CIS

North American Numbering Plan Administrator ("NANPA")

August 25, 1999

Background

LOCKHEED MARTIN



- **Situation**

- A request for a large number of Central Office (CO) codes in a single geographic NPA or over multiple NPA codes could result in the following:
 - A significant advancement of NPA exhaust,
 - The need to immediately declare jeopardy, and/or
 - The need to initiate immediate NPA relief activity.
- Examples of large volume requests include requests for 50-75 codes in a single NPA or 100-200 codes over multiple NPAs.
- A service called unified messaging has recently resulted in large volume requests
 - Combines fax, email, voicemail

Background

LOCKHEED MARTIN



- **Objective**

- Identify ways to handle large volume requests while avoiding the need to declare jeopardy and/or immediately initiate NPA relief activity.
 - Support competition and the introduction of new and innovative telecommunication services,
 - Provide sufficient numbering resources to meet the demands of existing service providers, and
 - Ensure the efficient and effective use of limited numbering resources.

Potential Methods for Handling Large Volume Requests

LOCKHEED MARTIN



- **Business As Usual**

- Assign CO codes per the Central Office Code Assignment Guidelines.
- Work cooperatively with the requesting service provider to understand the need for the large volume of codes
 - Develop an alternative assignment strategy that may allow assignment of codes to meet the near term demand
 - Provide additional resources as projected demand becomes reality
- Use the NANC Dispute Resolution Process if a solution satisfactory to the NANPA and service provider cannot be reached.

Potential Methods for Handling Large Volume Requests

LOCKHEED MARTIN



- **Make Use of Underutilized Resources**
 - 1000 Block Number Pooling - Use underutilized CO codes in existing NPAs
 - Large requests for codes, e.g., 70 NXX codes, could be reduced to some amount less than 70 codes when TNs are made available from underutilized CO codes
 - Unassigned Number Porting (UNP) - Use underutilized TNs in existing CO codes
 - Similar to 1KB pooling, could reduce number of CO codes required
 - Direct end user to an NPA with sufficient resources
 - Dependent upon requirements of the end user and their service provider(s)

Potential Methods for Handling Large Volume Requests

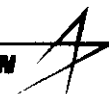
LOCKHEED MARTIN



- **Make Use of Underutilized Resources**
 - Share unassigned NPA-NXXs between geographically diverse areas
 - Numerous technical and regulatory issues to be explored
- **New Numbering Resources**
 - Non-geographic NPA
 - Numerous technical and regulatory issues to be explored
 - Requires large volume requests to be unique (e.g., toll free)

NANPA Observations

LOCKHEED MARTIN



- **Numbers have been and remain the “key” to providing telecommunications services.**
- **With competition, innovative services can be expected.**
 - Unified messaging will likely be offered using existing end user numbers.
 - Expected that current unified messaging numbers will likely provide voice services in the future.
- **No difference in unified messaging services and existing telecommunications services.**
 - The fact that these requests come at a time of significant code demand should not be used as a reason to treat these numbering needs differently.

Path Forward

LOCKHEED MARTIN



- **With NPRM 99-122, an effort is underway to explore new number assignment methods and procedures that lead to increase number utilization, delay NPA exhaust and ultimately NANP exhaust.**
- **These efforts are part of the solution to address large volume code requests.**
- **Direction provided from the NPRM may provide the capability to absorb these valid large volume requests.**